REMARKS

Claims 1-7, 9, 10, 13, 16-24, 26, 27 and 30-39 were pending in this application. Claims 13 and 16 have been canceled. Claims 1, 7, 9, 10, 17, 21, 32, 36 and 38 have been amended and new claims 40-50 have been added hereby to complete the scope of protection to which applicants are entitled. Accordingly, claims 1-7, 9, 10, 17-24, 26, 27 and 30-50 are now pending in this application and are believed to be in condition for allowance for the reasons stated below.

Paragraph 2 of the Office Action rejected claims 13 and 16 under 35 USC §102(e) over Yamazaki '858. In view of the cancellation of claims 13 and 16 this ground of rejection is now moot.

Paragraph 4 of the Office Action rejected claims 1-7, 9, 10, 17-24, 26, 27 and 30-39 under 35 USC §103(a) over Yamazaki '858. This ground of rejection is respectfully traversed for the following reasons.

Amended claim 1 recites an electric device comprising an insulating substrate having thereon an active matrix circuit and a driving circuit. A counter substrate faces the insulating substrate and covers both the active matrix circuit and driving circuit, but does not cover an extended portion of the insulating substrate that extends beyond at least one side edge of the counter substrate. At least one semiconductor integrated circuit chip is disposed on the extended portion and is operationally connected with the driving circuit. Further, thin-film transistors that make up the active matrix circuit and driving circuit are formed from a common semiconductor film formed over the insulating substrate.

Applicants note that the burden of establishing a <u>prima facie</u> case of obvious lies with the Patent Office. <u>In re Fine</u>, 5 USPQ2d 1596 (Fed. Cir. 1988). To establish a <u>prima facie</u> case of obviousness, there must be (1) some suggestion or motivation (either in the references themselves or in the knowledge generally available to one of ordinary skill in the art) to modify the reference or to combine reference teachings to achieve the claimed invention, and (2) the prior art must teach or suggest all the claimed limitations. MPEP §2143.

As noted above, amended claim 1 recites that the counter substrate covers the active matrix circuit and the driving circuit. Although it is argued in the Office Action that it is notoriously well known in the art to have an extended portion on a designated one of an LCD substrate to provide sufficient real estate for the control circuits and the driving circuits of the LCD, none of the cited references, including Yamazaki '858, discloses the feature recited in amended claim 1 wherein the insulating substrate extends beyond a side edge of the counter substrate to provide a portion for a semiconductor chip, while, at the same time, the driving circuit, which is formed of TFTs, is covered by the counter substrate. Applicants note that they are not arguing that the feature wherein a driving circuit is covered by a counter substrate is novel. In this regard, applicants are filing contemporaneously herewith an Information Disclosure Statement citing U.S. Patent 5,148,301 to Sawatsubashi. On the other hand, Applicants maintain that the invention as a whole and as recited in the amended claims is neither disclosed nor suggested by the cited prior art.

With respect to independent claim 7, that claim has been amended to recite that the claimed integrated circuit comprises at least one of a memory, input port and CPU in order to distinguish the claims even more clearly over the cited references. Specifically, on page 5 of the Office Action, it

is argued that the semiconductor ICs can be a memory circuit, a processing circuit such as a CPU, or any other peripheral circuits needed for the operation of a LCD device. However, applicants respectfully submit that Yamazaki '858 mainly teaches the use of a semiconductor chip for a signal line driver circuit. More importantly, there is no teaching in Yamazaki '858 with respect to a memory, a CPU and/or an input port. Accordingly, applicants respectfully submit that the pending claim rejection is based on an "obvious to try type" argument, which does not find support in the law.

Each of the remaining independent claims recites at least one of the two features discussed above.

Since Yamazaki '858 fails to disclose or to suggest each and every element of the amended claims now pending in this application, applicants respectfully request that the §103(a) rejection be reconsidered and withdrawn.

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In view of the above, all of the claims in this case are believed to be in condition for allowance. Should the Examiner deem that any further action by the applicants would be desirable in placing this application in even better condition for issue, he is requested to contact the undersigned.

Respectfully submitted,

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